

PUBLIC DISCLOSURE

NOVEMBER 17, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

WORCESTER CREDIT UNION

Cert # 64144

**520 WEST BOYLSTON STREET
WORCESTER, MASSACHUSETTS 01606**

DIVISION OF BANKS

ONE SOUTH STATION

BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **WORCESTER CREDIT UNION (or the "Credit Union")** prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"

Based on the Small Institution CRA evaluation procedures, Worcester Credit Union's overall CRA performance is considered Satisfactory. The rating of this institution is based upon a review of the Performance Criteria, as shown below in the public evaluation.

A summary of the Credit Union's performance is provided below.

The Credit Union's net loan-to-share ratio for the previous eight quarters is reasonable given the Credit Union's size, financial condition, and the credit needs of its assessment area.

The analysis includes residential mortgage loan data as reported by the Credit Union pursuant to the Home Mortgage Disclosure Act ("HMDA"). Lending activity within the Credit Union's assessment area is good as 81.1 percent of its HMDA reportable originations were within its assessment area.

The Credit Union demonstrates a reasonable level of lending to members of different income levels.

The geographic distribution of the Credit Union's HMDA reportable loans reflects a more than reasonable dispersion throughout the assessment area.

Fair lending policies and practices are considered satisfactory. No weight was given to complaints, as none have been received by the Credit Union since the prior examination.

PERFORMANCE CONTEXT

Description of Institution

Worcester Credit Union is a state-chartered community credit union. The purpose of the Credit Union is to promote thrift among its members by affording them an opportunity to accumulate their savings and to create for them a source of credit for provident purposes. According to the Credit Union's bylaws, "Membership in this corporation is limited to:

- Individuals who work, reside or attend any accredited public or private college, university, high school, elementary school or vocational school in the City of Worcester or contiguous towns, which include Auburn, Boylston, Grafton, Holden, Leicester, Millbury, Paxton, Shrewsbury and West Boylston;
- Individuals who are federal, state or municipal employees who work in Worcester County;
- Elected or appointed officials of federal, state or municipal bodies or agencies in Worcester County;
- Organizations composed principally of members who are eligible for membership in the Credit Union, including municipal bodies or agencies in Worcester County;
- Employees of private school systems or regional school systems in Worcester County;
- Employees of the Credit Union;
- Individuals who are retired from the Credit Union or elected or appointed positions and family are also eligible for membership. The word "family" means parents, spouse, siblings and children of a member;
- Members leaving the field of membership shall retain all membership continued privileges provided that they maintain at least one share on deposit in the Credit Union."

As of June 30, 2008, the Credit Union had 8,511 members.

The main office is located at 520 West Boylston Street in Worcester, located in a middle-income census tract. In 2006, the Credit Union opened two branch offices, both located in Worcester. One branch is located at 315 Main Street, a moderate-income census tract and the other branch is located at 1 Skyline Drive, a low-income census tract. Business hours are readily accessible to all members. Both the main office and branch locations have drive-up service and ATM Teller locations. The Credit Union is a member of the SUM Program which is a surcharge free ATM network.

Some of the services and products the Credit Union offers are: savings accounts, checking accounts, ATM/debit cards, money market accounts, certificates of deposit, IRA accounts, auto loans, personal loans, mortgages, home equity lines of credit, home equity loans, student loans and personal lines of credit.

Description of Institution (Continued)

The Credit Union participates and offers a variety of loan programs aimed at meeting the credit needs of low and moderate-income homebuyers. Some of the programs offered are Mass Advantage, MyCommunity and Buy Worcester Now.

The Credit Union offers Mass Advantage Loans through Mass Housing. MassAdvantage is a special mortgage program for low and moderate-income individuals, that is offered by MassHousing to increase affordable housing. During the evaluation period, the Credit Union originated 1 loan totaling \$94,800.

Buy Worcester Now Program seeks to promote and preserve homeownership in the City of Worcester. During the evaluation period, the Credit Union originated eight loans totaling \$1,383,200.

The Credit Union was last examined for compliance with the CRA on December 2, 2003. The examination resulted in a CRA rating of Satisfactory.

The Credit Union's asset size has decreased slightly from \$72.4 million to \$71.5 million since the previous examination. As of June 30, 2008, the Credit Union's asset size was \$71,515,645 with total gross loans of \$47,292,480 or 66.1 percent of total assets. The Credit Union's net loan-to-share ratio, based upon comparative analysis from September 30, 2006 through June 30, 2008 was 72.2 percent. First mortgage loans and lines of credit represent the largest portion of loans with 43.7 percent followed by all other real estate loans with 26.4 percent, followed by used vehicle loans with 14.4 percent and all other unsecured loans with 8.7 percent.

The following table provides additional details regarding the Credit Union's loan portfolio:

Worcester Credit Union Loan Portfolio Distribution		
Loan Type	Dollar Volume (000)	Percentage of Total Loans
Total First Mortgage Real Estate Loans/Lines of Credit	\$20,632,444	43.7
Total Other Real Estate/Lines of Credit	\$12,476,259	26.4
Used Vehicle Loans	\$6,818,727	14.4
All Other Unsecured Loans/Lines of Credit	\$4,122,792	8.7
New Vehicle Loans	\$3,007,925	6.3
Total All Other Loans/Lines of Credit	\$234,333	0.5
Unsecured Credit Card Loans	\$0	0.0
Total	\$47,292,480	100.0
<i>Source: 5300 Report, Statement of Financial Condition as of June 30, 2008.</i>		

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Office of Management and Budget establishes Metropolitan Statistical Areas (“MSAs”) for statistical reporting purposes by federal agencies. The Credit Union’s assessment area contains the following cities and towns all located in Worcester County. These include: Auburn, Boylston, Grafton, Holden, Leicester, Millbury, Paxton, Shrewsbury, West Boylston, and Worcester.

The assessment area contains 68 census tracts. Of those tracts, 10 or 14.7 percent are low-income, 13 or 19.1 percent are moderate-income, 31 or 45.6 percent are middle-income, 13 or 19.1 percent are upper-income and 1 or 1.5 percent is N/A. The low and moderate-income census tracts are all located in Worcester. The N/A census tract is Tufts Veterinary School in Grafton.

The following data provides demographic information pertaining to the Credit Union’s assessment area. According to 2000 US Census data, the assessment area contains 116,113 housing units, of which 63,445 or 54.6 percent are owner occupied and 47,728 or 41.1 percent are occupied- rental units and 4,940 or 4.3 percent are vacant units. Of the total housing units, 13.0 percent are located in low-income census tracts, 20.9 percent are located in moderate-income census tracts, 43.5 percent are located in middle-income census tracts, 22.5 percent are located in upper-income census tracts and 0.1 percent is N/A.

Based on 2000 Census data, the assessment area has a total population of 289,834 individuals of which 111,277 are households. Of the total population, 13.1 percent reside in the assessment area’s low-income census tracts, 19.7 percent in the moderate-income census tracts, 42.6 percent in middle-income census tracts, 24.5 percent in the upper-income census tracts and 0.1 percent is N/A. Of the total households, 71,531 are families and of these families, 23.6 percent are low-income, 18.2 percent are moderate-income, 21.5 percent are middle-income and 36.7 percent are upper-income families.

Refer to the following table for more information:

Selected Housing Statistics by Income Category of the Geography*						
Census Tract	Total Housing Units	Total Households	Rental Units %	Owner Occupied %	Vacant Units %	Median Housing Value
Low	15,128	14,023	25.1	3.1	24.2	\$97,328
Moderate	24,305	22,777	32.2	11.8	29.6	\$106,398
Middle	50,532	48,796	33.2	52.0	34.3	\$131,476
Upper	26,147	25,679	9.5	33.1	11.9	\$186,825
N/A	1	2	0.0	0.0	0.0	0
Total	116,113	111,277	100.0	100.0	100.0	\$149,331

*Source: PCI Corporation Inc., CRA Wiz, Data Source: 2000 US Census

The median housing value in 2000 for the assessment area was \$149,331. Like much of New England, the area's housing prices until recently saw dramatic increases in value. Recent figures from the Warren Group show that the area's median home prices in 2006 ranged from a low of \$227,500 in Leicester to \$390,000 in Shrewsbury. In 2007 the median price ranged from a low of \$210,000 in Worcester to a high of \$570,000 in Boylston and as of September 30, 2008 the median price ranged from a low of \$160,000 in Worcester to a high of \$411,000 in Shrewsbury. The average median sales price for housing has dropped significantly over the past few years. In 2006 the average median sales price for the assessment area was \$257,500, in 2007 the average median sales price was \$231,500 and as of September 1, 2008 the average median sales price for a home was \$217,125.

Community Contact

A community contact was conducted with an organization that provides affordable housing programs to low and moderate-income homeowners and also initiates and supports neighborhood revitalization. The contact stated that credit is being offered by local financial institutions, but would like to see more programs offered. The contact also stated they would like to see more government grants or incentives to aid companies to locate their businesses to the downtown area.

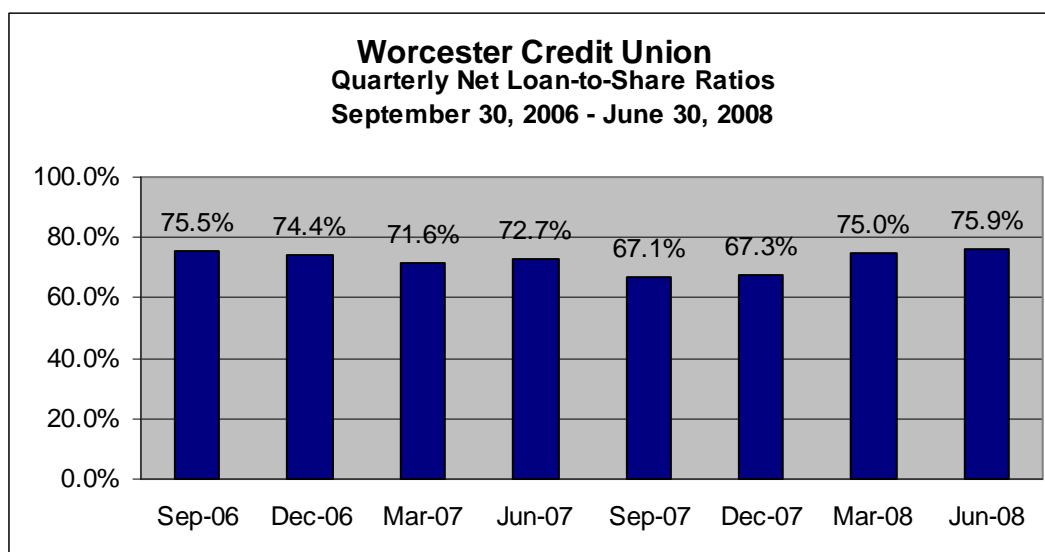
PERFORMANCE CRITERIA

An examination was conducted using small financial institution procedures, as defined by the CRA.

1. LOAN-TO-SHARES ANALYSIS

A comparative analysis of Worcester Credit Union's quarterly net loan-to-share ("LTS") ratios for the period of September 30, 2006 through June 30, 2008, was conducted during this examination. Using the Credit Union's last eight quarterly National Credit Union Association ("NCUA") 5300 Call Reports, the average net LTS ratio for this period was 72.2 percent. This ratio is based on loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total shares.

As shown in the graph below, the Credit Union's net LTS ratio has fluctuated from a low of 67.1 percent in September 2007 to a high of 75.9 percent in June 2008. Net loans have increased 9.1 percent and shares have increased by 8.6 percent during this time period.



The following table illustrates the average net loan-to-share ratio that was compared against the net average loan-to-share ratio of three similarly situated institutions as of June 30, 2008.

Net Loans-to-Shares Ratios			
Credit Union	Net Loans (\$000)	Shares (\$000)	% LTS
Worcester Credit Union	47,184	62,176	75.9
Grafton Suburban Credit Union	71,222	94,328	75.5
Shrewsbury Credit Union	48,491	79,846	60.7
Allcom Credit Union	28,988	42,905	67.6

**Source: NCUA 5300 Report, Statement of Financial Condition as of June 30, 2008.*

Based on the foregoing information, the Credit Union's asset size and resources, and the credit needs of its members, the Credit Union's net LTS ratio meets the standards for satisfactory performance.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

This performance criterion measures the percentage of the Credit Union's lending that benefits the assessment area's residents and evaluates the adequacy of such lending. The following table shows the distribution of the Credit Union's lending inside and outside of its assessment area.

Worcester Credit Union's 2006 and 2007 Loan Application Registers ("LARs") were reviewed to determine the amount of credit extended within the Credit Union's assessment area. During this period, the Credit Union originated 164 HMDA reportable loans totaling approximately \$11.4 million. Of these loans, 133 or 81.1 percent were originated inside the Credit Union's assessment area totaling \$9.4 million or 82.3 percent.

Refer to the following table for additional information regarding the Credit Union's HMDA reportable lending, by both number and dollar volume.

Distribution of HMDA Loans Inside and Outside of the Assessment Area										
Year	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2006	73	82.0	16	18.0	89	5,256	81.8	1,170	18.2	6,426
2007	60	80.0	15	20.0	75	4,186	83.0	859	17.0	5,045
Total	133	81.1	31	18.9	164	9,442	82.3	2,029	17.7	11,471

Source: PCI Corporation CRA Wiz, Data Source 2000 U.S. Census

As indicated in the table above, a majority of the Credit Union's loans originated during the examination period were inside the Credit Union's assessment area.

Consumer Loans

An additional analysis of consumer lending was conducted by reviewing the Credit Union's consumer loans. This review consisted of a sample of 50 consumer loan originations for 2006 and 2007, twenty-five loans from each year.

Distribution of Consumer Loans Inside and Outside the Assessment Area										
Year	Number of Loans					Dollars in Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2006	21	84.0	4	16.0	25	\$195,503	90.1	\$21,425	9.9	\$216,928
2007	19	76.0	6	24.0	25	\$156,831	78.0	\$44,144	22.0	\$200,975
Total	40	80.0	10	20.0	50	\$352,334	84.3	\$65,569	15.7	\$417,903

Source: Credit Union internal files

As shown above, of the 50 loans reviewed for the years 2006 and 2007, 40 or 80 percent were originated in the assessment area. The Credit Union's sample of originated loans totaled \$417,903 of which \$352,334 or 84.3 percent were in the Credit Union's assessment area.

Based on the above information, the Credit Union's lending inside its assessment area meets the standards for satisfactory performance.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

The Credit Union's HMDA reportable loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers reported incomes were compared to the median family incomes for the Worcester County. The income figures are based on 2000 U.S. Census data information. The median family income for the Worcester MSA in 2006 and 2007 were \$71,700 and \$72,800, respectively.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The following table shows, by number, HMDA reportable loans to low, moderate, middle and upper-income borrowers in comparison to the aggregate and the percentage of total families within the assessment area in each respective income group.

Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	% Families	Aggregate Lending Data (% of #)	Credit Union 2007		Credit Union 2006		Credit Union Total	
		2007	#	%	#	%	#	%
Low	23.7	4.5	7	11.7	7	9.6	14	10.5
Moderate	18.2	19.1	10	16.7	14	19.2	24	18.1
Middle	21.4	27.3	19	31.7	22	30.1	41	30.8
Upper	36.7	34.0	23	38.3	30	41.1	53	39.9
N/A	0.0	15.1	1	1.6	0	0.0	1	0.7
Total	100.0	100.0	60	100.0	73	100.0	133	100.0

Source: CRA Wiz, Data Source 2000 U.S. Census

During the period reviewed, Worcester Credit Union originated 14 HMDA reportable loans in the assessment area to low-income borrowers representing 10.5 percent of total originations and 24 loans to moderate-income borrowers representing 18.1 percent. The Credit Union's percentage of lending to low-income borrowers exceeded the aggregate's lending in 2007. The Credit Union originated 11.7 percent of its loans to low-income borrowers while the aggregate originated 4.5 percent. The Credit Union was lower in lending to moderate-income borrowers in 2007 than the aggregate. The Credit Union originated 16.7 percent of its loans to moderate-income borrowers while the aggregate originated 19.1 percent. Based upon the Credit Union's performance in lending to borrowers of different incomes, the Credit Union meets the standards for satisfactory performance.

Consumer Loans

A sample of the Credit Union's consumer loan data for 2006 and 2007 was analyzed in order to determine the distribution of credit based upon the income level of borrowers. The loan sample consisted of unsecured personal loans and auto loans.

The following table indicates the Credit Union's performance in lending to borrowers of different income levels.

Distribution of Consumer Loans by Borrower Income						
Median Family Income Level	Credit Union 2006		Credit Union 2007		Credit Union Total	
	#	%	#	%	#	%
Low	4	19.0	7	36.8	11	27.5
Moderate	10	47.7	9	47.4	19	47.5
Middle	4	19.0	2	10.5	6	15.0
Upper	3	14.3	1	5.3	4	10.0
Total	21	100.0	19	100.0	40	100.0

Source: Credit Union's internal files

A review of the 40 originated loan files from 2006 and 2007 was conducted to determine the borrower's income level. Of the 40 files reviewed, 11 or 27.5 percent were originated to low-income borrowers and 19 or 47.5 percent were originated to moderate-income borrowers.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

The Credit Union's lending activity within its assessment area was reviewed in order to determine the distribution of lending among the various census tracts. As mentioned previously, the Credit Union's assessment area contains 68 census tracts of which 10 are low-income, 13 are moderate-income, 31 are middle-income, 13 are upper-income and 1 is N/A.

The following table presents the Credit Union's HMDA reportable lending performance as well as the 2007 aggregate data (exclusive of Worcester Credit Union). In addition, the table also reflects the percentage of owner-occupied housing units in each of the census tract income categories.

Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	% Total Owner-Occupied Housing Units	Aggregate Lending Data (% of #)	Credit Union 2007		Credit Union 2006		Credit Union Total	
			2007	#	%	#	%	#
Low	3.1	5.5	8	13.3	3	4.1	11	8.2
Moderate	11.8	14.9	13	21.7	10	13.7	23	17.3
Middle	52.0	50.5	29	48.3	41	56.2	70	52.7
Upper	33.1	29.1	10	16.7	19	26.0	29	21.8
Total	100.0	100.0	60	100.0	73	100.0	133	100.0

Source: PCI Corporation CRA Wiz, 2000 U.S. Census

During the period reviewed, Worcester Credit Union originated 11 HMDA reportable loans in the assessment area in low-income census tracts and 23 loans in moderate-income census tracts, respectively. As shown above, the percentage of the Credit Union lending activity in low and moderate-income tracts is above the 2007 aggregate data. The Credit Union originated 13.3 percent of its loans in low-income census tracts while the aggregate originated 5.5 percent. The Credit Union originated 21.7 percent of its loans in moderate-income census tracts while the aggregate originated 14.9 percent.

Based on the above information, the Credit Union's distribution of HMDA reportable loans by census tract income level meets the standards for satisfactory performance.

COMPLIANCE WITH ANTI-DISCRIMINATION LAWS AND REGULATIONS

A review was conducted for compliance with fair lending regulations, and no evidence of disparate treatment or impact was revealed.

A review of the Division's records, as well as the Credit Union's Public CRA File did not reveal any complaints relating to the Credit Union's CRA performance since the prior evaluation.

The Credit Union has a second review process in place. All denied loan applications are reviewed by the President.

Currently, there are eight bilingual employees to assist the non-English speaking customers and potential customers at the Credit Union. Languages spoken are Spanish and Lebanese. As a result, the Credit Union is able to provide better service to customers of different ethnic backgrounds.

MINORITY APPLICATION FLOW

The Credit Union's level of lending was compared with that of the aggregate's lending performance levels for the most recent year that data was available, the year 2007. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Credit Union received from minority residential loan applicants. The Credit Union's performance was slightly below the 2007 aggregate's performance level for minority applications but was considerably higher than the aggregates' ethnicity applications. The Credit Union received 10.1 percent of its applications from minorities while the aggregate was 10.5 percent. The Credit Union received 10.1 percent of its applications from Hispanic applicants while the aggregate received 6.7 percent.

According to the 2000 U.S. Census Data, the Credit Union's assessment area contained a total population of 289,834 individuals of which 20.1 percent are minorities. The assessment area's minority and ethnic population is 4.2 percent Black/African American, 4.0 percent Asian, 0.2 percent American Indian, 0.1 percent Hawaiian/Pacific Islander, 9.7 percent Hispanic or Latino and 1.9 percent other.

Worcester Credit Union received 161 HMDA reportable loan applications from within its assessment area in 2006 and 2007. Of these applications, 17 or 10.6 percent were received from minority applicants, of which 9 or 52.9 percent resulted in originations. The Credit Union received 11 HMDA reportable applications from ethnic groups of Hispanic or joint Hispanic descent within its assessment area of which 6 or 54.6 percent resulted in originations. Refer to the following table for information on the Credit Union's minority application flow as well as a comparison of the aggregate lenders throughout the Credit Union's assessment area. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Credit Union received from minority applicants.

MINORITY APPLICATION FLOW								
RACE	2007 Aggregate Data		Credit Union 2007		Credit Union 2006		Total Credit Union	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	77	0.3	1	1.4	0	0.0	1	0.7
<i>Asian</i>	829	3.5	0	0.0	2	2.2	2	1.2
<i>Black/ African American</i>	1,312	5.5	5	7.3	6	6.5	11	6.9
<i>Hawaiian/Pac Isl.</i>	66	0.3	0	0.0	0	0.0	0	0.0
<i>2 or more Minority</i>	23	0.1	0	0.0	0	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	195	0.8	1	1.4	2	2.2	3	1.8
Total Minority	2,502	10.5	7	10.1	10	10.9	17	10.6
<i>White</i>	15,492	65.0	61	88.5	82	89.1	143	88.7
<i>Race Not Available</i>	5,830	24.5	1	1.4	0	0.0	1	0.7
Total	23,824	100.0	69	100.0	92	100.0	161	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	1,603	6.7	7	10.1	2	2.2	9	5.6
<i>Not Hispanic or Latino</i>	16,350	68.6	62	89.9	83	90.2	145	90.1
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	183	0.8	0	0.0	2	2.2	2	1.2
<i>Ethnicity Not Available</i>	5,688	23.9	0	0.0	5	5.4	5	3.1
Total	23,824	100.0	69	100.0	92	100.0	161	100.0

Source: PCI Corporation, CRA Wiz, Data Source: 2000 U.S. Census Data

The Credit Union's minority application flow is deemed more than reasonable due to the demographic makeup of the assessment area.

GENERAL DEFINITIONS

Geography Terms

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Housing Terms

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Income Terms

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Other Terms

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 520 West Boylston, Worcester, MA 01606"

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.